

APPENDIX M



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The Transaction

A. Overview

On August 26, 2022, Corix Infrastructure Inc. (“CII”), Corix Infrastructure (US) Inc. (“Corix US”), IIF Subway Investment LP (“IIF Subway”), SW Merger Acquisition Corp. (“SWMAC”) and SouthWest Water Company (“SouthWest”) entered into a transaction agreement (the “Transaction Agreement”). The Transaction Agreement provides a framework for combining CII’s water, wastewater, and related businesses, with the water and wastewater businesses owned by SouthWest. When CII and Corix US (the “Corix Parties”) and IIF Subway, SWMAC and SouthWest (the “SouthWest Parties”) complete the transactions contemplated by the Transaction Agreement, CII (and an affiliate or affiliates) will own 50% of Corix US and SWMAC Holdco, an affiliate of IIF Subway will own 50% of Corix US. Corix US, in turn, will indirectly own and control all the CII water, wastewater, and related businesses,¹ as well as the SouthWest water and wastewater businesses. To prepare for the transaction, both the Corix Parties and the SouthWest Parties will undertake pre-closing restructuring transactions.

B. CII Pre-closing Restructuring

The CII pre-closing restructuring has two objectives. First, the pre-closing restructuring separates CII’s district energy business from the CII water, wastewater, and related businesses.² Second, the pre-closing restructuring results in the inclusion of the Canadian water, wastewater, and related businesses of CII in the deal perimeter, by making Corix Utilities Inc. and Corix Multi-Utility Services Inc. (both of which own water and wastewater assets or are parties to water and wastewater operation and maintenance contracts), West Shore Environmental Services (GP) Inc. and West Shore Environmental Services Limited Partnership (which provides wastewater services pursuant to a contract with the City of Langford), and Corix Utilities (Foothills Water) Inc. and Corix Utilities (Foothills Wastewater) Inc. indirect, wholly-owned subsidiaries of Corix US. This element of the pre-closing restructuring results in a direct change in control of certain of the Canadian water and wastewater utilities.³ Together, these steps allow the parties to combine their respective water and wastewater businesses to create a platform company focused almost exclusively on the delivery of water and wastewater services to customers.

C. SWMAC Pre-closing Restructuring

Before the business combination occurs, SWMAC’s shareholders will form a new holding company, SWMAC Holdco. SWMAC’s shareholders will contribute certain assets, including all of SWMAC’s stock, to

¹ CII’s related businesses include the electric, natural gas, and propane distribution, geothermal energy delivery and municipal service operations of CII related to its U.S. and Canadian water and wastewater operations.

² This multi-step pre-closing reorganization involves, among other things, the direct or indirect transfer of district energy assets, contracts and liabilities to a new entity or entities controlled by British Columbia Investment Management Corporation. The district energy business includes CII’s investment in Doyon Utilities, LLC and Entegrus Inc.

³ This part of the pre-closing reorganization involves the formation of a new US holding company (“Intermediate Newco”), a new Canadian corporation (“Canadian Water MidCo”), the conversion of certain entities into unlimited liability companies, and the contribution of Canadian Water MidCo’s equity interests to Intermediate Newco. Corix Utilities Inc., West Shore Environmental Services (GP) Inc., and West Shore Environmental Services Limited Partnership will become wholly owned subsidiaries of Canadian Water MidCo. These steps result in the Canadian water and wastewater utilities becoming indirect, wholly owned subsidiaries of Corix US.

SWMAC Holdco. This step will facilitate the contribution of SWMAC's stock to Corix US (in exchange for the issuance of Corix US stock, as described below) and the merger of SWMAC with and into Corix US.

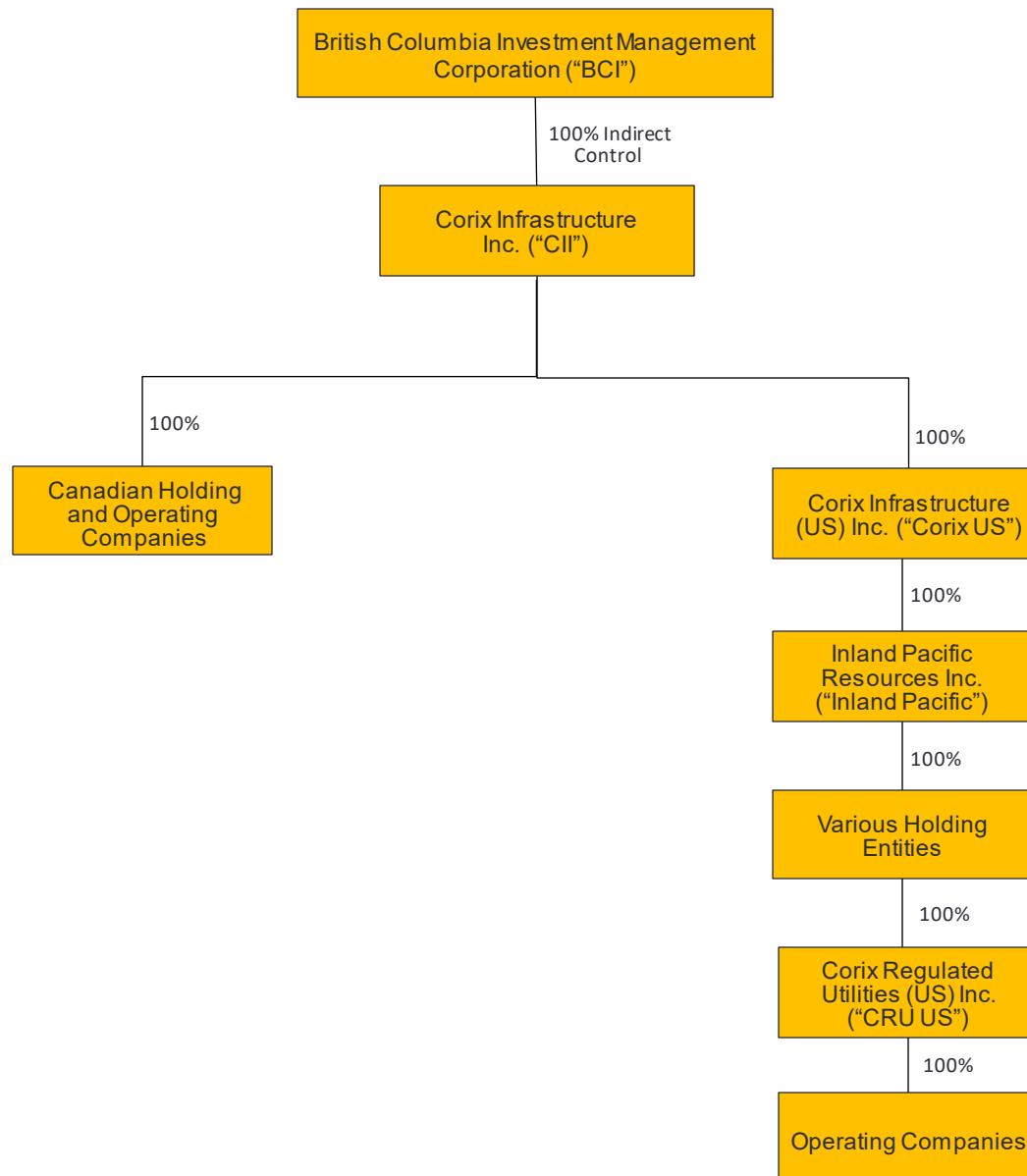
D. The Business Combination

The combination of CII's water, wastewater, and related businesses with SouthWest's water and wastewater business will occur through a series of steps. After the completion of the pre-closing restructurings detailed above, all of the outstanding stock of SWMAC will be contributed to Corix US in exchange for stock issued by Corix US ("Step 1"). Step 1 will result in SWMAC Holdco obtaining a 50% interest in Corix US **and** Corix US obtaining indirect control of SouthWest and its operating subsidiaries because SWMAC will be a subsidiary of Corix US.

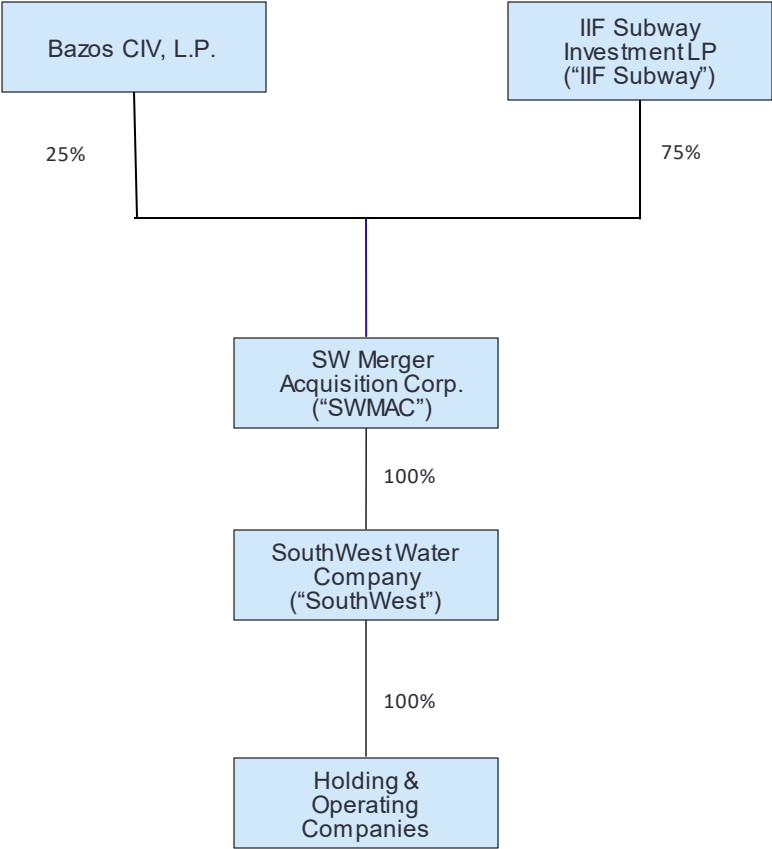
After Step 1 is completed, SWMAC will merge with and into Corix US ("Step 2"). Corix US will survive the merger. As a result of Step 2, Corix US will directly own all of the outstanding stock of SouthWest, and will continue to directly own the shares of Inland Pacific Resources Inc. ("Inland Pacific") and its subsidiaries. Inland Pacific indirectly owns Corix Regulated Utilities (US) Inc. (f/k/a Utilities, Inc.) which in turn owns regulated water and wastewater utilities that provide services to customers within 17 of the contiguous United States. Inland Pacific also owns Fairbanks Sewer and Water Inc.

After Step 2 is completed, Corix US will transfer all of the outstanding equity of SouthWest and Inland Pacific to Intermediate Newco. ("Step 3"). In exchange for this contribution of stock, Intermediate Newco will issue to Corix US common stock of Intermediate Newco and assume all of Corix US's third-party debt. Step 3 is the last step in the transactions contemplated by the Transaction Agreement. As a result of Step 3, Intermediate Newco will directly control SouthWest and Inland Pacific. After these steps are completed, CII and an affiliate or affiliates will own 50% of Corix US's stock, on the one hand, and SWMAC Holdco will own the remaining 50% of Corix US's stock. Corix US will own all of the stock of Intermediate Newco, and Intermediate Newco will directly or indirectly own all of the subsidiaries comprising the CII and SouthWest water, wastewater, and related businesses, completing the "merger of equals."

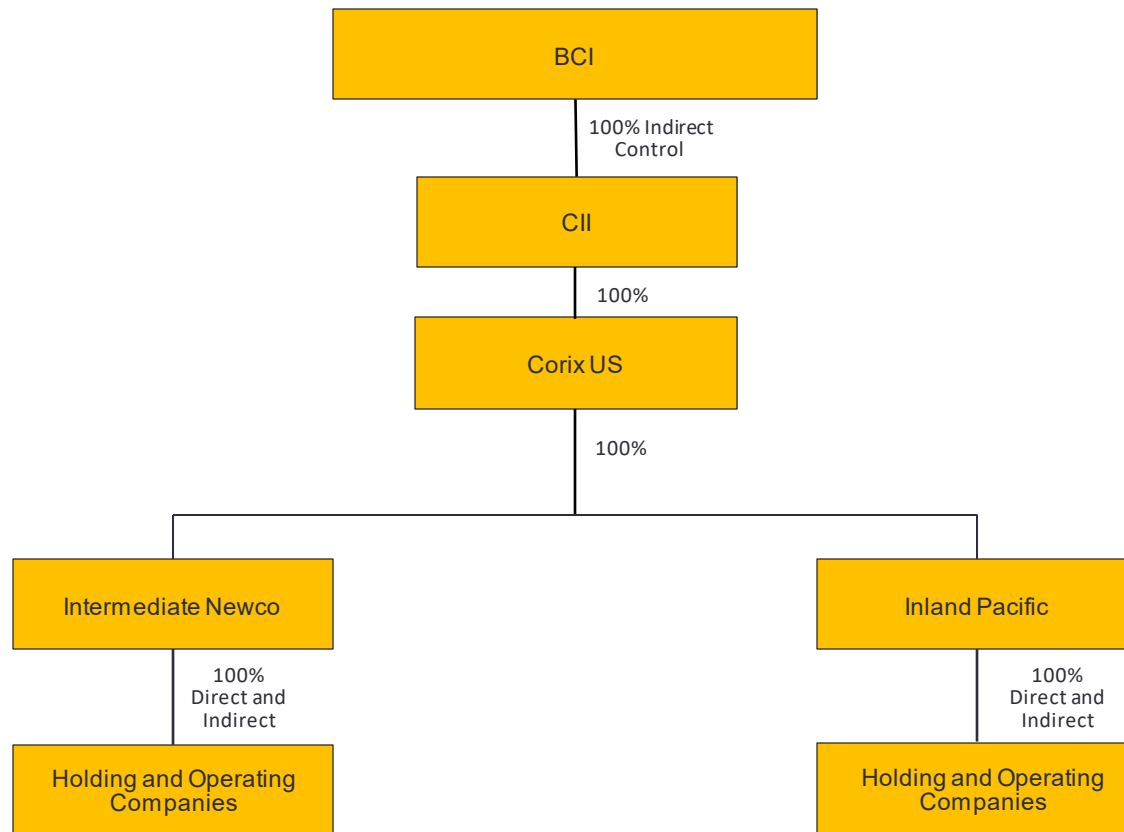
Corix Simplified Current



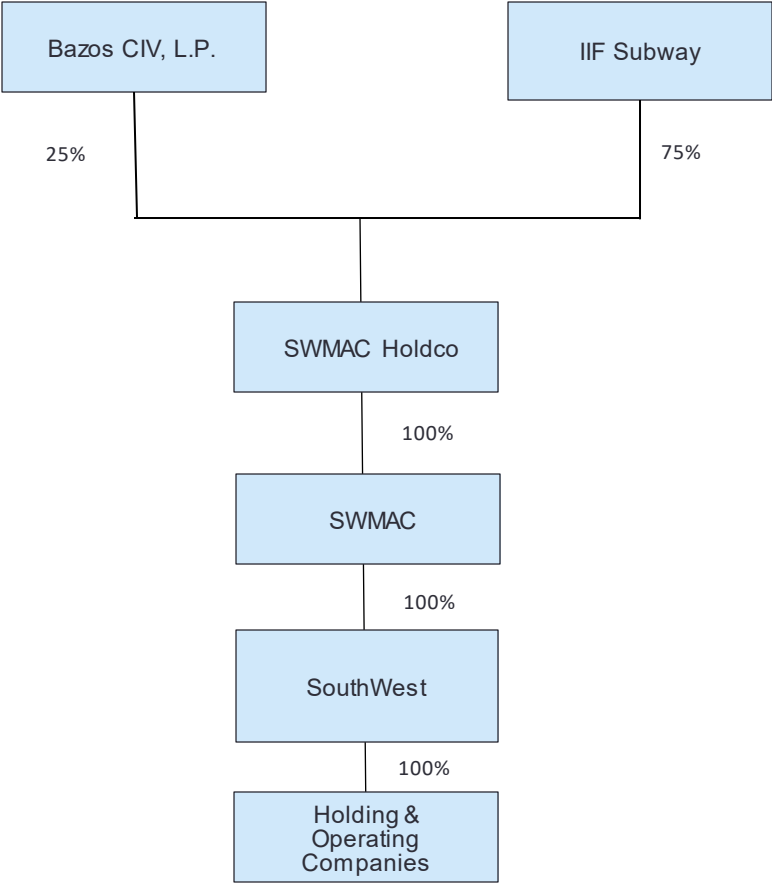
SWMAC Simplified Current



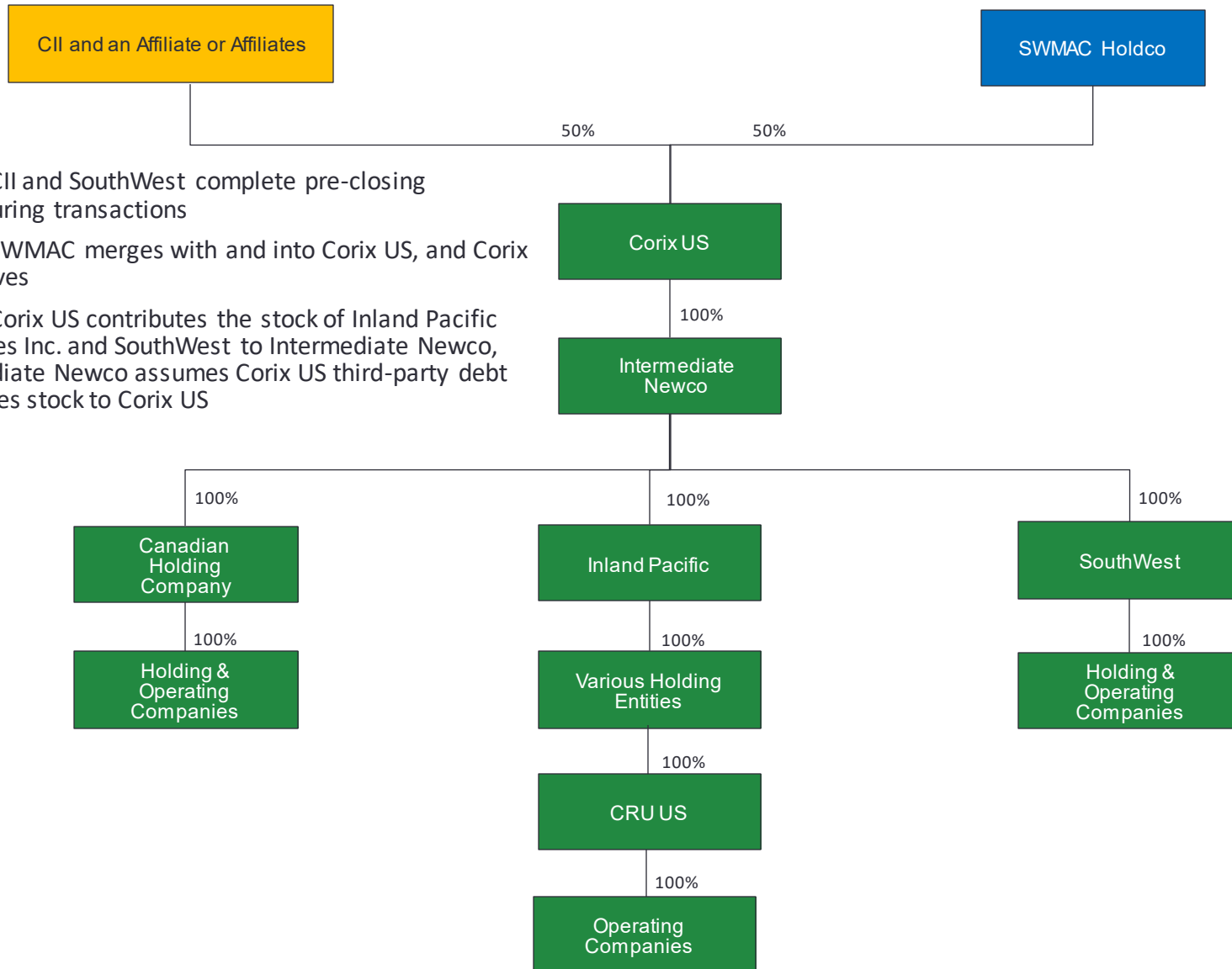
Corix Simplified Pre-Closing, Post-Restructuring



SWMAC Simplified Pre-Closing, Post-Reorganization



Combined Company – Simplified Post-Closing



► **Step 1:** CII and SouthWest complete pre-closing restructuring transactions

► **Step 2:** SWMAC merges with and into Corix US, and Corix US survives

► **Step 3:** Corix US contributes the stock of Inland Pacific Resources Inc. and SouthWest to Intermediate Newco, Intermediate Newco assumes Corix US third-party debt and issues stock to Corix US

SouthWest Simplified Post-Closing

